### **AFCEA**

# Panel 21: Exploring Managerial Implications of Current DoD Contracting Trends





Mr. Harry P. Hallock
Deputy Assistant Secretary of the Army
(Procurement)

15 May 2014

| Public reporting burden for the collection of information is estimated to maintaining the data needed, and completing and reviewing the collectincluding suggestions for reducing this burden, to Washington Headque VA 22202-4302. Respondents should be aware that notwithstanding and does not display a currently valid OMB control number. | ion of information. Send comments re<br>arters Services, Directorate for Inforn | egarding this burden estimate of<br>nation Operations and Reports | or any other aspect of the 1215 Jefferson Davis | is collection of information,<br>Highway, Suite 1204, Arlington |  |  |  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|-------------------------------------------------------------------|-------------------------------------------------|-----------------------------------------------------------------|--|--|--|
| 1. REPORT DATE 15 MAY 2014                                                                                                                                                                                                                                                                                                                      | 2. REPORT TYPE                                                                  |                                                                   | 3. DATES COVE<br>00-00-2014                     | RED<br>to 00-00-2014                                            |  |  |  |
| 4. TITLE AND SUBTITLE                                                                                                                                                                                                                                                                                                                           |                                                                                 |                                                                   | 5a. CONTRACT                                    | NUMBER                                                          |  |  |  |
| <b>Exploring Managerial Implications of</b>                                                                                                                                                                                                                                                                                                     | 5b. GRANT NUMBER                                                                |                                                                   |                                                 |                                                                 |  |  |  |
|                                                                                                                                                                                                                                                                                                                                                 |                                                                                 |                                                                   | 5c. PROGRAM E                                   | LEMENT NUMBER                                                   |  |  |  |
| 6. AUTHOR(S)                                                                                                                                                                                                                                                                                                                                    |                                                                                 |                                                                   | 5d. PROJECT NU                                  | JMBER                                                           |  |  |  |
|                                                                                                                                                                                                                                                                                                                                                 |                                                                                 |                                                                   |                                                 | 5e. TASK NUMBER                                                 |  |  |  |
|                                                                                                                                                                                                                                                                                                                                                 | 5f. WORK UNIT NUMBER                                                            |                                                                   |                                                 |                                                                 |  |  |  |
| 7. PERFORMING ORGANIZATION NAME(S) AND AD Office of the Assistant Secretary (Acquirectanology), Deputy Assistant Secretary Belvoir Rd, Fort Belvoir, VA, 22060                                                                                                                                                                                  | isition, Logistics and                                                          |                                                                   | 8. PERFORMING<br>REPORT NUMB                    | G ORGANIZATION<br>ER                                            |  |  |  |
| 9. SPONSORING/MONITORING AGENCY NAME(S) AND ADDRESS(ES)                                                                                                                                                                                                                                                                                         |                                                                                 |                                                                   |                                                 | 10. SPONSOR/MONITOR'S ACRONYM(S)                                |  |  |  |
|                                                                                                                                                                                                                                                                                                                                                 |                                                                                 |                                                                   | 11. SPONSOR/M<br>NUMBER(S)                      | ONITOR'S REPORT                                                 |  |  |  |
| 12. DISTRIBUTION/AVAILABILITY STATEMENT Approved for public release; distribution                                                                                                                                                                                                                                                               | on unlimited                                                                    |                                                                   |                                                 |                                                                 |  |  |  |
| 13. SUPPLEMENTARY NOTES                                                                                                                                                                                                                                                                                                                         |                                                                                 |                                                                   |                                                 |                                                                 |  |  |  |
| 14. ABSTRACT                                                                                                                                                                                                                                                                                                                                    |                                                                                 |                                                                   |                                                 |                                                                 |  |  |  |
| 15. SUBJECT TERMS                                                                                                                                                                                                                                                                                                                               |                                                                                 |                                                                   |                                                 |                                                                 |  |  |  |
| 16. SECURITY CLASSIFICATION OF:                                                                                                                                                                                                                                                                                                                 |                                                                                 | 17. LIMITATION OF<br>ABSTRACT                                     | 18. NUMBER<br>OF PAGES                          | 19a. NAME OF<br>RESPONSIBLE PERSON                              |  |  |  |

c. THIS PAGE

unclassified

**Report Documentation Page** 

a. REPORT

unclassified

b. ABSTRACT

unclassified

25

Same as

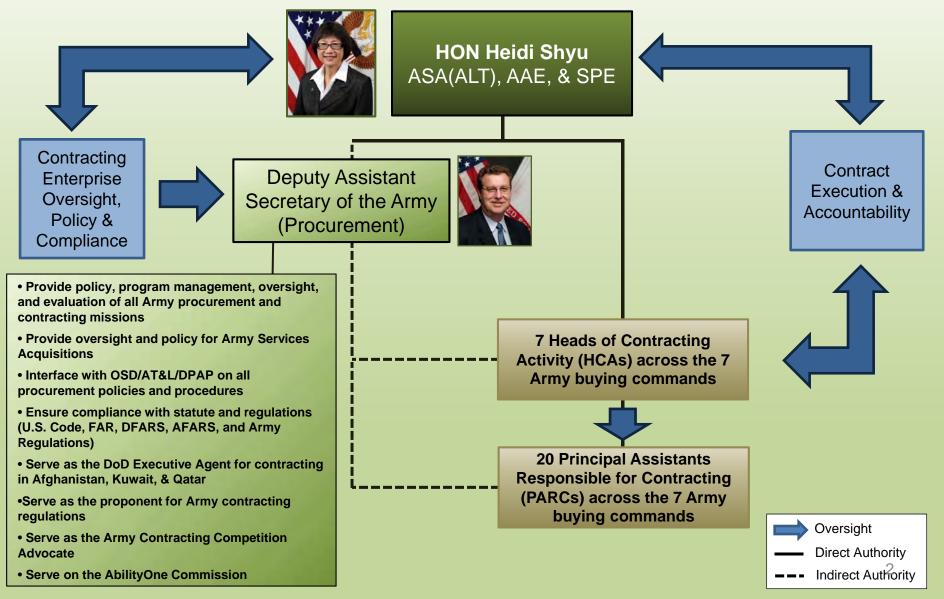
Report (SAR)

Form Approved OMB No. 0704-0188



## DASA(P) Responsibilities







## **Army Campaign Plan Strategy Map**



| Army End State: A Versatile and Agile mix of Capabilities and Formations that is rapidly Deployable and Sustainable in order to Prevent, Shape, and Win |                                                                                       |                                                                                                                               |                                                                                                                   |                                                                                          |                                                                                                                        |                                                                         |                                                                    |                                                                                         |                                                                      |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|--------------------------------------------------------------------|-----------------------------------------------------------------------------------------|----------------------------------------------------------------------|
| Imperative<br>Outcomes                                                                                                                                  | An All-Volunteer Force of High<br>Quality Soldiers, Civilians, and<br>Leaders         |                                                                                                                               | Developed leaders who are<br>able to meet the challenges of<br>the 21 <sup>st</sup> century                       |                                                                                          | Modernized, ready, tailored land forces capable of meeting CCDR's requirements across the range of military operations |                                                                         |                                                                    | A force that more effectively provides land power for National Security Decision Makers |                                                                      |
| Campaign<br>Objectives                                                                                                                                  | Man the Army<br>& Enhance the<br>All-Volunteer<br>Force                               | Deliver Services<br>and Provide<br>Infrastructure to<br>Enable Global<br>Operations<br>ASA (IE&E)                             | Train the Army                                                                                                    | Support Global<br>Operations with<br>Ready Land<br>Power                                 | Equip the Army                                                                                                         | Sustain the<br>Force<br>ABA (ALT)                                       | Shape the Army                                                     | Security &<br>Sustainability                                                            | ustain and<br>Enhance<br>Business<br>perations                       |
| Major<br>Objectives                                                                                                                                     | 1-1 Acquire &<br>Retain Best<br>Qualified Soldiers<br>G-1                             | 2-1 Deliver Services<br>that Support the Total<br>Force and protect<br>installations, people,<br>and the environment<br>ACSIM | 3-1 Provide<br>Institutional<br>Training<br>TRADOC                                                                | 4-1 Provide Ready<br>Forces ISO<br>Operational<br>Requirements<br>FORSCOM                | 5-1 Provide<br>Validated and<br>Approved Materiel<br>Requirements<br>G-3/5/7                                           | 6-1 Improve Contract<br>Execution and<br>Oversight<br>ASA (ALT)         | 7-1 Develop<br>Concepts and<br>Design the Future<br>Army<br>TRADOC | and Water Security<br>and Sustainability Imp                                            | Monitor and<br>Report on<br>lementation of<br>my Efficiencies<br>G-8 |
|                                                                                                                                                         | 1-2 Synchronize<br>Distribution of<br>Soldiers ISO Army<br>Priorities<br>G-1          | 2-2 Sustain the<br>Army Family<br>Covenant<br>ACSIM                                                                           | 3-2 Educate, Train,<br>and Develop<br>Military Leaders<br>TRADOC                                                  | 4-2 Adapt Army Force<br>Generation ISO<br>Changing Operations<br>Requirements<br>FORSCOM | 5-2 Modernize and<br>Equip the Army<br>ASA (ALT)                                                                       | 6-2 Assess and<br>Sustain the<br>Industrial Base<br>ASA (ALT)           | 2 Allocate Force<br>sture/Best Army<br>thin End<br>9 th/TOA<br>17  | Energy-Informed<br>Operations<br>G-4                                                    | Strengthen<br>Financial<br>anagement<br>SA (FM&C)                    |
|                                                                                                                                                         | 1-3 Develop and<br>Maintain a<br>Sustainable and<br>Affordable Force<br>G-1           | 2-3 Provide<br>Infrastructure to<br>Support the Total Force<br>ACSIM                                                          | 3-3 Train and<br>Develop Civilian<br>Leaders<br>G-3/5/7                                                           | 4-3 Train Units fo<br>Unified Lan<br>Operation<br>G-3                                    | 5-3 Maintain a<br>Leading Edge in<br>Technology<br>ASA (ALT)                                                           | 6-3 Sustain Units<br>for Operations<br>AMC                              | 7-3 Empt<br>America's<br>Through<br>LandWarNet                     |                                                                                         | 9-3 Improve<br>ness Processes<br>OBT                                 |
|                                                                                                                                                         | 1-4 Establish a<br>Capabilities-Based<br>Civilian Workforce<br>G-1                    | 2-4 Ensure Medical<br>Systems Support<br>the Total Force<br>MEDCOM                                                            | 3-4 Provide<br>Training Support<br>G-3/5/7                                                                        | fovide<br>Jonal Support<br>O Operational<br>Reg 15<br>G-3/5/7                            | 5-4 Achieve an<br>Agile and Efficient<br>T&E Enterprise<br>DUSA-TE                                                     | 6-4 Deploy the Single<br>Army Logistics<br>Enterprise<br>(SALE)<br>G-4  | 4 Operate<br>ctively in<br>trspace<br>(5/7                         | 6.1 Improve Contract Executio                                                           | Setimize Army<br>System<br>olio<br>T                                 |
|                                                                                                                                                         | 1-5 Develop Ready<br>and Resilient (R2)<br>Soldiers, Families<br>and Civilians<br>G-1 | 2-5 Institutionalize<br>Contingency Basing                                                                                    | 3-5 Pro Individu                                                                                                  | 4-5 Provide For<br>and Provide Gil<br>Responsi<br>Sustainn<br>TBI                        | 5-5 Execute<br>Materiel Integration<br>AMC                                                                             | 6-5 Improve Sustainment Life Cycle Cost Estimation Processes (SALE) G-4 |                                                                    | & Oversight<br>ASA(ALT)                                                                 |                                                                      |
|                                                                                                                                                         | 1-6 Prevent and<br>Respond to Sexual<br>Harassment and<br>Assault<br>G-1              |                                                                                                                               | the Army<br>A(ALT)                                                                                                |                                                                                          | -3 -2 aign Objectives ajor Objectives                                                                                  |                                                                         | 6.2 Assess & Sustain the Industrial Base ASA(ALT)                  |                                                                                         |                                                                      |
|                                                                                                                                                         | 1-7 Transition<br>Soldiers and<br>Families                                            |                                                                                                                               | 5.3 Maintain a Leading Edge in Technology  DSED ACP 2014  Difference from FRA Potential consolidation Name Change |                                                                                          |                                                                                                                        |                                                                         |                                                                    |                                                                                         | tial<br>olidation                                                    |
|                                                                                                                                                         | 1-8<br>Implement Solider<br>2020<br>TBD                                               |                                                                                                                               | ASA                                                                                                               | A(ALI)                                                                                   | tegy Map<br>02 Sep 13                                                                                                  |                                                                         |                                                                    | New Move Anoth                                                                          | under                                                                |



## DASA(P) Strategy Map



#### Goal 1 Stakeholder Relations

Develop partnerships and relationships with stakeholders in order to anticipate their requirements.

#### Goal 2 Workforce

Attract, train, develop, motivate, equip, empower, and retain a highly-skilled professional workforce.

#### Goal 3a Products & Services

Optimize Army services acquisition.

#### Goal 3b Products & Services

Develop real-time acquisition solutions that meet or exceed field requirements.

#### Goal 4 Transparency

Establish a foundation of processes, procedures and infrastructure that improves productivity and morale and fosters transparency and communication.

- 1. Develop a stakeholder communications strategy
- 2. Establish DASA(P) situational
- 3. Develop the DASA(P) brand
- 4. Develop stakeholder satisfaction surveys
- 5. Establish a network of subject matter experts
- 6. Establish Forums for Stakeholder Collaboration
- 7. Establish "Face of DASA(P)" web-based site

- 1. Develop and implement a resource concept to appropriately staff the organization
- 2. Develop an Army Contracting Human Capital Strategy
- 3. Develop a DASA(P) Human Resources Strategy
- 4. Develop DASA(P) recruiting and retention plans
- 5. Develop methods and techniques to improve Army Contracting recruiting and retention

- Update the Army Service Strategy Panel approach
- 2. Develop a Services Strategic Communications Plan
- 3. Refine the forecast and cost savings updates process
- 4. Deploy a data analysis capability
- Develop a services business intelligence system
- 6. Define the services acquisition process for operational commands
- 7. Establish the Annual Requirement Execution Review (ARER) process

- Define a plan to update regulation/policy and expedite distribution
- 2. Develop a Contracting Lifecycle Approval and Support System (CLASS) and Dashboard
- 3. Develop a Procurement Business System requirements review process
- 4. Establish methods to optimize oversight
- 5. Define a strategic sourcing governance process
- 6. Establish a framework to Improve data integrity

- Develop DASA(P) organizational design
- 2. Establish a culture of continuous improvement
- 3. Establish and publish DASA(P) battle rhythms
- 4. Define DASA(P) core capabilities

satisfied with DASA(P) performance

2. % of customer satisfaction surveys completed

95% of stakeholders are

- 3. % of employee satisfaction surveys completed
- 1. Army contracting voluntary attrition is 15% or less
- 2. Percent of employees with required certifications is 95%
- 3. % of workforce utilizing telework/flexiplace
- 4. % of workforce completing courses
- 1. Track Army Commands' progress in achieving their cost savings
- Publish Revised AR70-13.
- Conduct 3 Annual Requirements and Execution Reviews
- Number of submissions requiring rework is reduced by 20% year over year
- 2. Number of procedures transferred to the field increases by 20% year over
- Number of PMRs increase by 20% a year until all PARC and Army Contracting Headquarters elements are reviewed each year
- 1. Average processing time is reduced by 20% year over
- 2. Support pipeline threshold increases year overyear
- 3. Low-threshold support pipeline decreases year over vear

**ETRICS** 



### **Hot Topics**



### **Trends**

#### • Smaller Army

- Average 20% reduction in contract dollars in last 3 consecutive years trend continuing
- Oversight & Quality Products
  - Peer Reviews
  - Contract Administration
- "Back to Basics" for Workforce
  - Over 4 % attrition rate
  - Continuous training

### **Projections**

- FY14 Dollars: approximately \$65B
- FY14 Actions: approximately 280K

### **Priorities**

- Better Buying Power 2.0
  - Strategic Sourcing
- Using Appropriate Evaluation Approach
- Using Appropriate Contract Type
- FY14 Goals
- 1-N List
- Army Contract Writing System

### **Initiatives**

- AFARS Rewrite
- Enterprise Optimization
  - Army Contracting Study Recommendations
- Accountability
  - Procurement Management Reviews (PMRs)
  - Contracting Enterprise Reviews (CERs)
- Continued Focus on Efficiencies











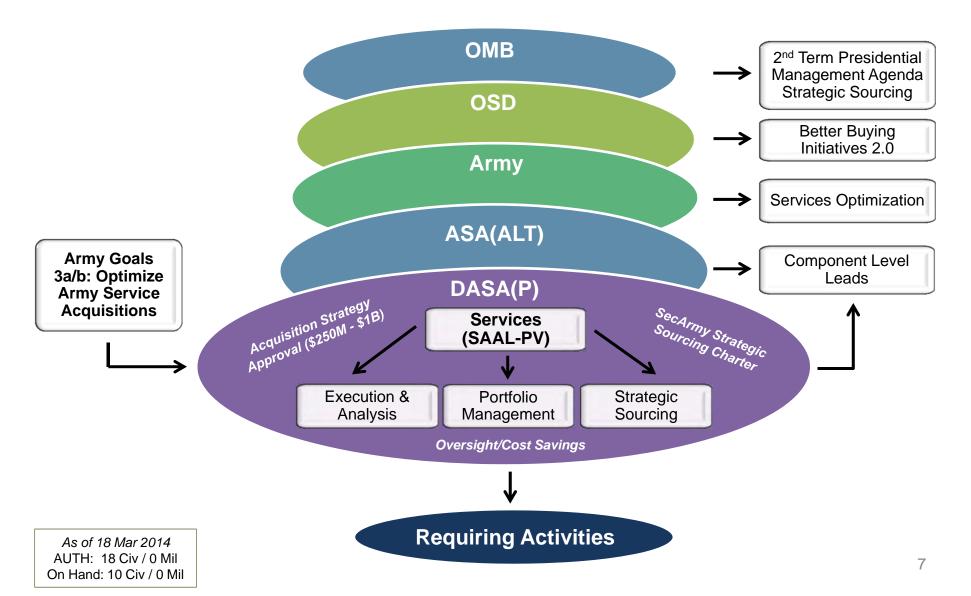


## **Comments**



## Senior Services Manager Portfolio







## Senior Services Manager Alignment with Strategic Priorities



### )ALS

#### Goal 1 Stakeholder Relations

Develop partnerships and relationships with stakeholders in order to anticipate their requirements.

#### Goal 2 Workforce

Attract, train, develop, motivate, equip, empower, and retain a highly-skilled professional workforce.

## Goal 3a Products & Services

Optimize Army services acquisition.

## Goal 3b Products & Services

Develop real-time acquisition solutions that meet or exceed field requirements.

### Goal 4 Transparency

Establish a stable foundation of processes, procedures & infrastructure that improves productivity & morale and fosters transparency & communication.



- OMB Strategic Sourcing Leadership Council
- OSD Functional Domain Experts
- OSD Senior Services Managers Roundtable
- OSD Strategic Sourcing Directors Board
- HQDA (ASA(MR&A) & FMC
- Army Component Level Leads
- Army Command Service Executives
- Army Federal Acquisition Regulation Supplement (AFARS) Committee (input)
- Army/OSD Small Business
- Army Portfolio Coordinators/Managers



- Better Buying Power
- Portfolio Governance
- Forecasting & Reporting
- Strategic Sourcing
- Management Controls & Visibility
- Better Buying Power



- AR 70-13/FAR/AFARS Part 37
- Policy Alerts and Taskers
- Army Regulation 70-13



## **Services Acquisition Governance**



| U.S.ARMY                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                         |                                                  |                                              |                                                                |                                                  | CHARLANTY SERVING OFF                           |  |  |
|-----------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|--------------------------------------------------|----------------------------------------------|----------------------------------------------------------------|--------------------------------------------------|-------------------------------------------------|--|--|
|                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | COMM                                                    | AND SERVICE                                      | S EXECUTIVES                                 |                                                                |                                                  | O.S.A.                                          |  |  |
| ASA(ALT) DASA(P) Senior Services Manager Portfolio Coordinators | AMC<br>Mr. John Nerger<br>Exec Deputy to<br>CG                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | MEDCOM<br>Mr. Lamont Kapec<br>Dpty CofS,<br>Procurement | ARCYBER Mr. Dan Bradford Dep to Cdr, Sr Tech Dir | IMCOM<br>Mr. Joe Capps<br>Executive Director | USACE<br>Mr. Lloyd<br>Caldwell<br>Chief Program<br>Integration | TRADOC<br>Mr. Matthew Scully<br>Dep CofS,<br>G-8 | HQDA Staffs,<br>ASA(ALT), ACOMS,<br>ASCCs, DRUs |  |  |
| 10 Portfolio Managers / Portfolio Coordinators - Army-wide view |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                         |                                                  |                                              |                                                                |                                                  |                                                 |  |  |
| Knowled                                                         | dge Based Serv                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | ices - Bill Merce                                       | er (Acting) @ AS                                 | SA(ALT) / Bill Me                            | ercer                                                          |                                                  |                                                 |  |  |
|                                                                 | <u></u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <u> </u>                                                | <u> </u>                                         |                                              |                                                                | <u> </u>                                         |                                                 |  |  |
| <del></del>                                                     | Equipment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Related - Gloria                                        | a Harper @ TA                                    | COM / Bill Merce                             | er                                                             | <b>→</b>                                         |                                                 |  |  |
|                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                         |                                                  |                                              |                                                                |                                                  |                                                 |  |  |
|                                                                 | Trai                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | nsportation - Do                                        | on Morrow @ SI                                   | DDC / Oliver Gra                             | nt                                                             | $\rightarrow$                                    |                                                 |  |  |
|                                                                 | Ψ                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                         |                                                  |                                              |                                                                |                                                  |                                                 |  |  |
| *                                                               | Engin                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | eering & Techr                                          | nical – Mary Fitz                                | gerald @ RDEC                                | OM / Bill Merce                                                | er 💛                                             |                                                 |  |  |
| <b>←</b>                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Logistics Man                                           | agement - Craic                                  | Behne @ ASC                                  | / Bill Mercer                                                  | $\rightarrow$                                    |                                                 |  |  |
|                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                         |                                                  |                                              | <u> </u>                                                       |                                                  |                                                 |  |  |
|                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Medica                                                  | l - Helen Edward                                 | ds @ MEDCOM /                                | /Oliver Grant                                                  |                                                  | <b>→</b>                                        |  |  |
|                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                         | <b>V</b>                                         |                                              |                                                                |                                                  |                                                 |  |  |
|                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Electronics & C                                         | ommunications                                    | - Ricky Fletche                              | er @ NETCOM /                                                  | Oliver Grant                                     | $\rightarrow$                                   |  |  |
|                                                                 | <b>←</b> (£                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Facil                                                   | ity Related – Ch                                 | <b>∀</b><br>narlie Garcia @ I                | MCOM / Oliver                                                  | Grant                                            | $\rightarrow$                                   |  |  |
|                                                                 | - Contract of the Contract of |                                                         |                                                  |                                              | Ψ                                                              | T                                                |                                                 |  |  |
|                                                                 | **                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | *Arch                                                   | nitect/Engineeri                                 | ng – Herbert Eic                             | hler @ USACE                                                   | / Oliver Grant                                   | $\rightarrow$                                   |  |  |
|                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                         |                                                  |                                              |                                                                | V                                                |                                                 |  |  |
|                                                                 | *                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | *                                                       | Education and                                    | Training – Penny                             | y Walker @ TR                                                  | ADOC / Bill Merc                                 | cer                                             |  |  |

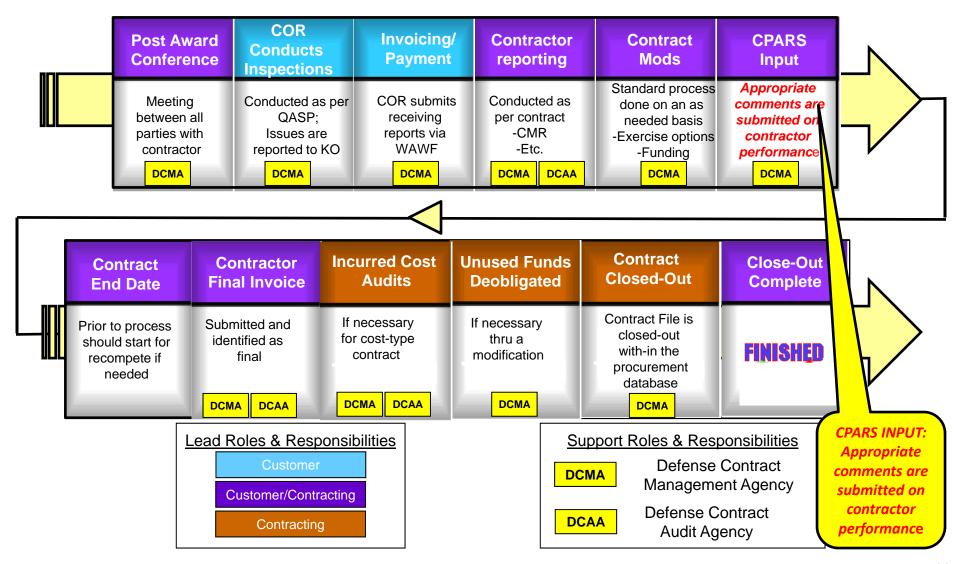
<sup>\*</sup> Part of KBS portfolio group

<sup>\*\*</sup> Part of Facilities portfolio group



# Contract Administration & Closeout Post-Award









# Back Up

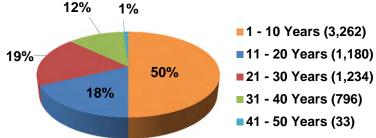


## **Army Contracting Workforce**

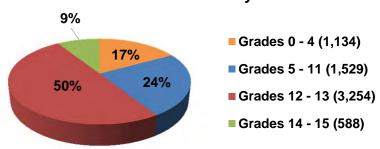


Occupational Series 1102 civilians are the core of Army contracting and make up 85% of the Acquisition Career Field "C" Contracting civilian workforce.





### Total Army 1102s by Pay Grades – FY13 Summary





In FY13, 50% of 1102s had 10 years or less of experience, meaning half of the workforce has operated only in an accelerated contracting environment during a time of war.

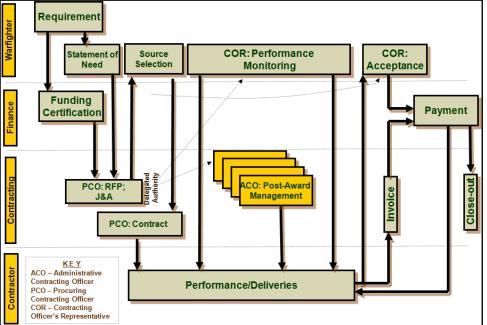
Source: DCPDS, 30 Sep 13



### **Contracting Is More Than Writing Contracts**







#### **Friction Point 1:**

- Unstable Requirements
- Incomplete SOW/ PWS
- Limited Time & Lack Automation

#### **Friction Point 2:**

- Appointment and Training of CORs
- Maintaining CORs in Theater
- Effective continual oversight Initiatives: VCSA COR EXORD: Defined COR Requirements Before, During, and After Deployment (Qty, Training, BHO, etc.); Trained & Developed 3C ASI

#### **Friction Point 3:**

- Invoice Certification
- Property Accountability
   Initiative: GFEBS and other business accounting measures



Leadership Involvement Required
Throughout the Lifecycle of the Contract



## **Better Buying Power**



Better Buying Power (BBP)
delivers warfighting
capabilities needed within the
constraints of a declining
defense budget
by achieving "better buying
power" for the Warfighter and
the taxpayer



Achieve Affordable Programs Eliminate Unproductive Processes and Bureaucracy Incentivize
Productivity and
Innovation
in Industry and
Government

Effective Competition

**Promote** 

Improve Tradecraft In Acquisition of Services



Control

Improve the Professionalism of the Total Acquisition Workforce



**BBP 1.0:** on June 28, 2010, USD(AT&L) issued "Better Buying Power: Mandate for Restoring Affordability and Productivity in Defense Spending" which outlined the core objectives and direction of BBP to deliver better value to the taxpayer and improve the way the Department does business.

**BBP 2.0**: marks the next step in the Department of Defense's process of continuous improvement. BBP 2.0 will help improve the Department's effectiveness in the tradecraft of acquisition.



## A Decade of Change

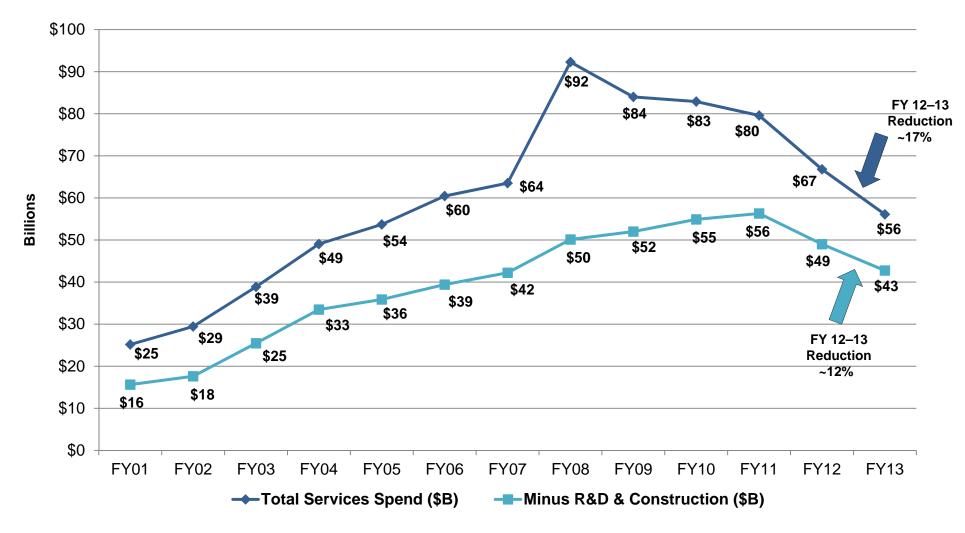


- Increased FAR and DFARS changes significantly complicated the contracting process with additional changes forthcoming
- Congressional and audit agency oversight and interest exploding
- Inexperienced workforce faced complex workload and greater dependence on contractor support
- In FY13, 50.1% of 1102s had 10 years or less of experience, meaning that half of the workforce has operated only in an accelerated contracting environment during a time of war
  - For more than 10 years, the Army focused on *effective* contracting first in order to get the product to the Warfighter; *efficiency* came after
- Historical focus on execution at the expense of adequate oversight further compounded by fiscal uncertainties



## **Army Services Spend (FY01-13)**







## **Services Acquisition**



SECARMY GUIDANCE

May 2011

Garner significant savings and greater effectiveness by providing oversight through active management of service requirements and execution

ASA(ALT) GUIDANCE December 2011 Comply with the management and governance concepts described in the Optimization of Services Acquisition Implementation Plan

DASA(P) EXPECTED OUTCOME

Gain efficiencies while maintaining Army's effectiveness in the acquisition of services

Under Secretary of Defense for Acquisition, Technology and Logistics "Better Buying Power" Memorandums

- 1) Target Affordability and Control Cost Growth
- 2) Incentivize Productivity and Innovation in Industry
- 3) Promote Real Competition
- 4) Improve Tradecraft in Services Acquisition
- 5) Reduce Non-Productive Processes and Bureaucracy

#### **SERVICES POLICY**

- STREAMLINE POLICY
   & PROCEDURES
- AFARS Update
- AR 70-13 Revision
- ASSP Approvals
   (Closer to Execution)
- Maximize use of Incentives & competition to drive productivity & innovation

#### **GOVERNANCE**

- VERTICAL & HORIZONTAL INTEGRATION – ACCOUNTABILITY
- CSE single Command
- PFM all Commands
- SSM Army Enterprise
- HQDA Component Level Leads for Services Portfolios
- OSD Functional Domain Experts

#### MANAGEMENT CONTROLS & VISIBILITY

- ARERs
- Command Level
- Portfolio Mgr Level
- Army Level
- ARMY INTERNAL MGT CONTROL PROGRAM
- ACQUISITION STRATEGY APPROVAL HIERARCHY

DIRECT ENABLERS OF SERVICES PORTFOLIO MANAGEMENT

• VIRTUAL CONTRACTING ENTERPRISE

### FORECASTING & REPORTING

- SEMI-ANNUAL REQUIREMENTS FORECASTS
- QUARTERLY COST SAVINGS UPDATES
- PPBBOS BUSINESS SYSTEM REPOSITORY
- STRATEGIC SOURCING INITIATIVES & INNOVATIONS

### STAKEHOLDER RELATIONS

- COMMUNICATION
- Transparent
- Information Sharing
- Publish Best Practices & Strategic Sourcing Methods
- INDUSTRY
- Outreach
- Economic Impacts by Tradecraft
- ARMY/DOD
- Requiring Activities
- Contracting Activities
- coc/gosc

#### **WORKFORCE**

- STAFFING
- Properly Resourced
- Capability Level
- TRAINING
- Qualified
- DAU SAW, Tools and Templates
- MULTIFUNCTIONAL TEAMING



## **Services Portfolio Groups**



#### **Knowledge Based Services**

- \* Engineering & Technical Services
- Program Management Services
- **Management Support Services**
- Administrative & Other Services
- Professional Services
- \* Education & Training Services

#### Medical Services

- General Medical Services
- **Dentistry Services**
- Specialty Medical Services

#### **Logistics Management Services**

- Logistics Support Services
- Logistics Civil Augmentation **Program**

#### **Equipment Related Services**

- Maintenance, Repair and Overhaul
- **Equipment Modification**
- Installation of Equipment
- Quality Control
- Technical Representative Services
- **Purchases & Leases**
- Salvage Services

#### **Electronics & Communications** Services

- IT Services
- **Telecom Services**
- **Equipment Maintenance**
- **Equipment Leases**

#### Facility Related Services

- \* Architect/Engineering Services
- Operation of Govt Facilities
- Building & Plant Maintenance
- Natural Resource Management
- Utilities
- Housekeeping & Social Services
- Purchases & Leases

#### **Transportation Services**

- Transportation of Things
- Transportation of People
- Other Travel & Relocation **Services**



## **Services Strategic Sourcing**



**Strategic Sourcing:** drive change to improve operational efficiencies and socio-economic performance, minimize duplication of efforts, and reduce consumption/volume and cost by acquiring goods and services strategically to maximize value for every acquisition dollar spent to support the Warfighter

#### Strategic Sourcing IS NOT Just...

- > The resulting contract
- Leveraged buying
- > Contract consolidation
- > Contracting and procurement
- About saving money

#### Strategic Sourcing IS...

- A PROCESS for systematically analyzing and developing optimal strategies for buying goods and services
- DATA DRIVEN fact-based analysis to drive decision making rather than just "hunches"
- A HOLISTIC process that addresses customer needs, market conditions, organizational goals and objectives, and other environmental factors
- Based on MARKET INTELLIGENCE and takes into account small business capabilities
- A COLLABORATIVE, CROSS-FUNCTIONAL approach
- About SUPPORTING AN ORGANIZATION'S MISSION through procured goods and services



## **Strategic Sourcing Misconceptions**



## #1) It is Bundling/ Contract Consolidation... NO!

Strategic Sourcing is a process that is followed, not a predetermined, specific outcome to be used in an acquisition/commodity strategy. Is contract consolidation sometimes a result of strategic sourcing? Yes. Is contract consolidation sometimes not an appropriate strategy? Yes. As part of the process of strategic sourcing, and the analysis included in that process, the best strategies are chosen for each specific initiative.

## #2) It Eliminates Small Business... NO!

There are legislative statutes and specific Army goals regarding small business. The sourcing team will not ignore these as part of strategic sourcing. During each strategic sourcing initiative, the team looks at the current environment and suppliers, which allows them to understand what is provided by small business today. They also conduct market research which provides answers to questions such as: Are there other small business suppliers? Could this be a small business set aside?

## #3) It is A-76 Competitive Sourcing... NO!

Strategic Sourcing is a process that is unrelated to the public-private sector competition using OMB Circular A-76 and it assumes the decision to source a good/service from outside the government organization has already been made.



## **Strategic Sourcing Quick Reference**



### Leverage Army's Resources to Spend Efficiently

## Reduction in Cost Per Unit

#### **Pricing Improvements**

- Lower unit price
- Volume rebates
- · Payment term discounts

#### **Supply Chain Savings**

- Cost of capital
- Warehousing costs
- Shipping costs

#### **Reduced Lifecycle Costs**

- Maintenance costs
- Operating costs
- Disposition costs

# Change in Consumption/Volume

#### **Demand Management**

- Eliminate demand
- Reduce consumption
- Encourage substitution
- Change product mix

#### **Specification Review**

- Eliminate "gold-plating"
- Simplify specifications
- Alternative products

# Improved Operating Efficiency

#### Reduced Procurement-Related Operating Expense

- PO Processing
- Accounts Payable
- Receipt/Warehousing
- Standardized procurement process

## Reduced Non-Procurement Related Operating Expense

Other operating efficiencies

#### **Performance Monitoring**

 Structured metrics and periodic review of contractor performance

## Improved Supply Management

#### **Socio-economic Goals**

 Structured analysis of small/disadvantaged business opportunities

### Optimized Supplier Relationships

- Improved joint understanding of needs and capabilities
- Increased efficiencies across the entire supply chain



## **Strategic Sourcing Governance**



Deputy Assistant Secretary Army – Procurement

The Senior Service Manager is the

HQDA focal point for Strategic Sourcing



### **Army Strategic Sourcing Governance Structure**

#### **SSEC**

- Executive championship
- Set strategic vision, direction, and priorities
- Drive commonality & standardization
- Eliminate duplication

#### **SSSG**

- Plan & orchestrates Army-wide communications
- Recommend Policies to DASA-P/SECARMY
- Assist working groups
- Tracks and reports progress to the SSEC
- Monitor DoD/Federal initiatives

#### **SSWG**

- Establish commodities teams
- Functional area prioritization
- Developing demand/forecast
- Tactical planning, scheduling & resource management
- Execute strategic sourcing strategies (Model)



## **Strategic Sourcing Governance**



**Strategic Sourcing Executive Committee** (SSEC)

SES/GO level

Chair: DASA(P)

Advisors:

Members: DASA(P) Deputy (Alternate-Chair)

> Senior Services Manager **HCAs & PARCs / Alternates**

**Small Business** Legal Counsel **Requiring Activities** 

Meets semi-annually CIO/G6 / G8 SMEs (as necessary)

(or as needed)

**Strategic Sourcing Steering Group (SSSG)** 

GS15/COL

Co-Chairs: SSM (Strategic Sourcing Directorate) / Requiring Activity

Members: Small Business

**Legal Counsel Requiring Activities** 

CIO/G-6 G8

PARCs / Alternate **SAAL-PB Director** SAAL-PP Director

Advisors: SMEs (as necessary) Meets quarterly (or as needed)

**Strategic Sourcing Working Groups (SSWG)** 

**Appropriate Levels** 

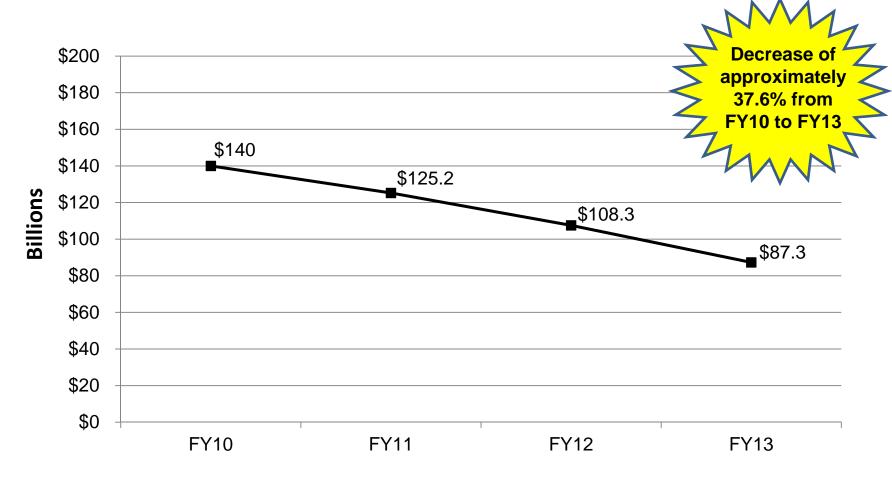
**TBD – Portfolio Managers / Alternates** Chairs: Members: TBD - Based on commodity / portfolio Advisors: TBD – Based on commodity / portfolio

> Meets monthly (or as needed)



# **FY13 Statistics Decreasing Obligations**





### Contract obligations following downward trend

